



SEALINK INTERNATIONAL BERHAD (800981-X)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2014

	Individual 3 months ended		Cumulative 3 months ended	
	31 Mar 2014 RM'000 (Unaudited)	31 Mar 2013 RM'000 (Unaudited)	31 Mar 2014 RM'000 (Unaudited)	31 Mar 2013 RM'000 (Audited)
Revenue	36,192	50,515	36,192	50,515
Cost of sales	<u>(24,551)</u>	<u>(38,552)</u>	<u>(24,551)</u>	<u>(38,552)</u>
Gross profit	11,641	11,963	11,641	11,963
Other operating income	2,567	2,212	2,567	2,212
Other operating expenses	(42)	-	(42)	-
Administrative expenses	(4,953)	(5,727)	(4,953)	(5,727)
Finance expenses	(3,952)	(3,153)	(3,952)	(3,153)
Share of result of an associate	250	400	250	400
Share of result of a jointly controlled entity	<u>234</u>	<u>-</u>	<u>234</u>	<u>-</u>
Profit before tax	5,745	5,695	5,745	5,695
Income tax expense	(1,098)	(1,383)	(1,098)	(1,383)
Profit for the period	<u>4,647</u>	<u>4,312</u>	<u>4,647</u>	<u>4,312</u>
Profit attributable to:				
Owners of the Parent	<u>4,647</u>	<u>4,312</u>	<u>4,647</u>	<u>4,312</u>
	<u>4,647</u>	<u>4,312</u>	<u>4,647</u>	<u>4,312</u>
Earnings per share (sen)				
- Basic EPS	0.93	0.86	0.93	0.86
- Diluted EPS	0.93	0.86	0.93	0.86

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2014

(CONTINUED)

	Individual 3 months ended		Cumulative 3 months ended	
	31 Mar 2014 RM'000 (Unaudited)	31 Mar 2013 RM'000 (Unaudited)	31 Mar 2014 RM'000 (Unaudited)	31 Mar 2013 RM'000 (Audited)
Profit for the period	4,647	4,312	4,647	4,312
Other Comprehensive Income :				
Exchange differences on translation of foreign operations	(190)	158	(190)	158
Total Comprehensive Income for the period	<u>4,457</u>	<u>4,470</u>	<u>4,457</u>	<u>4,470</u>
Total comprehensive income attributable to:				
Owners of the Parent	<u>4,457</u>	<u>4,470</u>	<u>4,457</u>	<u>4,470</u>
	<u>4,457</u>	<u>4,470</u>	<u>4,457</u>	<u>4,470</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2014

	As at 31 Mar 2014 RM'000 (Unaudited)	As at 31 Dec 2013 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	647,601	668,274
Land use rights	12,827	12,972
Investment in an associate	4,975	4,702
Investment in a joint venture	1,299	813
Other receivables	23,671	26,734
	690,373	713,495
Current Assets		
Inventories	87,336	72,979
Trade and other receivables	68,575	105,373
Tax recoverable	3,302	2,645
Cash and cash equivalents	107,422	77,775
	266,635	258,772
Total Assets	957,008	972,267
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share Capital	250,000	250,000
Share Premium	79,087	79,087
Retained earnings	118,904	114,257
Other components of equity	7,109	7,299
Total Equity	455,100	450,643
Non-Current Liabilities		
Loans and borrowings	241,585	250,419
Deferred tax liabilities	54,835	56,563
	296,420	306,982
Current Liabilities		
Provision	1,500	1,500
Loans and borrowings	158,918	165,737
Trade and other payables	42,234	47,114
Provision for taxation	2,836	291
	205,488	214,642
Total Liabilities	501,908	521,624
Total Equity and Liabilities	957,008	972,267
Net asset per share (sen)	91.02	90.13

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2014**

	Attributable to Owners of the Parent					Total Equity (Unaudited) RM'000
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Foreign currency translation reserve RM'000	Total RM'000	
Balance as at 1 January 2013	250,000	79,087	100,698	2,802	432,587	432,587
Total comprehensive income for the period	-	-	4,312	158	4,470	4,470
Balance as at 31 March 2013	250,000	79,087	105,010	2,960	437,057	437,057

	Attributable to Owners of the Parent					Total Equity (Unaudited) RM'000
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Foreign currency translation reserve RM'000	Total RM'000	
Balance as at 1 January 2014	250,000	79,087	114,257	7,299	450,643	450,643
Total comprehensive income for the period	-	-	4,647	(190)	4,457	4,457
Balance as at 31 March 2014	250,000	79,087	118,904	7,109	455,100	455,100

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2014

	Year-to-date Ended	
	31 Mar 2014 RM'000 (Unaudited)	31 Mar 2013 RM'000 (Unaudited)
Cash Flows From Operating Activities		
Profit before tax	5,745	5,695
Adjustments for:		
Interest income	(744)	(1,496)
Interest expenses	3,951	3,153
Amortisation of land use rights	145	154
Depreciation of property, plant and equipment	11,244	8,413
Gain on disposal of property, plant and equipment	(849)	-
Property, plant and equipment written off	36	-
Reversal of provision for maintenance warranties	-	(1,699)
Share of result of an associate	(250)	(400)
Share of result of a joint venture	(234)	-
Unrealised gain on foreign exchange	(2,177)	(849)
Total adjustments	<u>11,122</u>	<u>7,276</u>
Operating profit before working capital changes	16,867	12,971
Changes in working capital		
(Increase)/Decrease in inventories	(13,667)	6,162
Decrease/(Increase) in trade and other receivables	38,171	(3,236)
Decrease in trade and other payables	(4,574)	(26,092)
Net change in associate balances	2,612	1,384
Total changes in working capital	<u>22,542</u>	<u>(21,782)</u>
Cash flows from operations	39,409	(8,811)
Interest paid	(4,247)	(4,670)
Income tax refund	-	15
Income tax paid	(1,679)	(850)
Net Cash Flows From/(used in) Operating Activities	<u>33,483</u>	<u>(14,316)</u>
Cash Flows From Investing Activities		
Acquisition of investment in a joint venture	(220)	-
Purchase of property, plant and equipment	(1,701)	(717)
Proceeds from disposal of property, plant and equipment	11,120	-
Interest received	744	1,499
Net Cash Flows From Investing Activities	<u>9,943</u>	<u>782</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2014

	Year-to-date Ended	
	31 Mar 2014	31 Mar 2013
	RM'000	RM'000
	(Unaudited)	(Audited)
Cash Flows From Financing Activities		
Net movement in fixed deposits pledged	(1,944)	1,388
Net movement in cash at bank restricted in use	-	23,978
Net movements in trade financing	550	2,665
Proceeds from term loans	11,600	22,295
Repayments of term loans	(17,038)	(14,718)
Repayments of hire purchase payables	(7)	-
Net Cash Flows (Used in)/From Financing Activities	(6,839)	35,608
Net Increase in Cash and Cash Equivalents	36,587	22,074
Effect of changes in foreign exchange rates	(270)	186
Cash and Cash Equivalents at the beginning of financial year	33,660	53,928
Cash and Cash Equivalents at the end of financial period	69,977	76,188

Cash and cash equivalents at the end of the period comprised the following:

Cash and bank balances	107,422	96,514
Bank overdraft	(15,983)	(6,217)
	91,439	90,297
Less: Fixed deposits pledged and cash at bank restricted in use	(21,462)	(14,109)
	69,977	76,188

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014

**(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) :
INTERIM FINANCIAL REPORTING**

A1. Basis of Preparation

The interim financial statements has been prepared on the historical cost basis, unless otherwise stated.

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134, Interim Financial Reporting issued by Malaysian Accounting Standards Boards ("MFRS") and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2013.

On 1 January 2014, the Group adopted the following new and amended MFRS and IC interpretations mandatory for annual financial period beginning on or after 1 January 2014.

Amendments to MFRS 10, MFRS12 and MRS127	Investment Entities
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	Recoverable Amount Disclosures for Non- Financial Assets
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group.

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

MFRS effective for annual periods beginning on or after 1 July 2014

Amendments to MFRS 2, MFRS 3, MFRS 8, MFRS 116, MFRS 124 and MFRS 138, Annual Improvements 2010-2012 Cycle

Amendments to MFRS 3, MFRS 13 and MFRS 140, Annual Improvements 2011 -2013 Cycle

Amendments to MFRS 119, Defined Benefit Plan: Employee Contributions

MFRS effective date to be announced

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)

The adoption of above standards and amendments are expected to have no significant impact on the financial statements of the Group upon their initial application.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014

(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) :
INTERIM FINANCIAL REPORTING

A2. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements of the Company ("Sealink International Berhad") and its subsidiaries for the year ended 31 December 2013 were not qualified.

A3. Seasonal or cyclical factors

The Group's performance is affected by the oil and gas industry. The demand for our vessels are closely associated with the cyclical fluctuations of the oil and gas industry.

A4. Items of unusual nature and amount

There was no item that affect assets, liabilities, equity, net income, or cash flows that are unusual in nature, size, or incidence during the current quarter under review.

A5. Material changes in estimates

There were no changes in the estimates that have had a material effect in the current quarter under review.

A6. Issuances, cancellations, repurchase, resale and repayments of debt and equity securities

There were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial quarter.

A7. Dividends Paid

No dividend was paid in the current financial quarter under review.

A8. Segmental information

The results and other information of the Group as at 31 March 2014 are as follows:

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue					
External sales	3,232	32,960	-	-	36,192
Inter-segment sales	6,135	10,172	-	(16,307)	-
Total revenue	<u>9,367</u>	<u>43,132</u>	<u>-</u>	<u>(16,307)</u>	<u>36,192</u>
Segment profit/(loss) (Note A)	<u>(5,207)</u>	<u>8,330</u>	<u>(137)</u>	<u>2,759</u>	<u>5,745</u>

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014

(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) :
INTERIM FINANCIAL REPORTING

A8. Segmental information (continued)

Note A

Segment profit is reconciled to profit before tax presented in the condensed consolidated statement of comprehensive income as follows:

Segment profit	2,986
Loss from inter-segment sales	2,178
Share of result of an associate	250
Share of result of a joint venture	234
Finance costs	1,051
Unallocated corporate expenses	(954)
Profit before tax	<u>5,745</u>

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Assets and liabilities					
Segment assets	288,924	853,647	271,781	(457,344)	957,008
Segment liabilities	222,807	561,123	150,677	(432,699)	501,908
Net assets	<u>66,117</u>	<u>292,524</u>	<u>121,104</u>	<u>(24,645)</u>	<u>455,100</u>
Other segmental information					
Depreciation	1,804	7,177	2,910	(647)	11,244
Amortisation of land use rights	27	106	12	-	145

A9. Capital commitments

Capital commitments are as follows:

	Approved and contracted for RM'000	Approved but not contracted for RM'000
Property, plant and equipment	<u>3,871</u>	<u>177,969</u>

A10. Material events subsequent to the end of period reported

There were no material event subsequent to the end of the interim period reported which has not been reflected under the current quarter.

A11. Changes in composition of the Group

There were no changes in composition of the Group for the current quarter ended 31 March 2014.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014

**(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) :
INTERIM FINANCIAL REPORTING**

A12. Contingent liabilities

There are no additional contingent liabilities since the last annual balance sheet date.

A13. Related party transactions

Transactions between the Group and related parties are as follows:

	Transaction value for 3 months ended 31 Mar 2014 RM	Current Year-to-date 31 Mar 2014 RM
(i) Transactions with companies in which certain Directors of the Company have substantial interest :		
Ming Kiong Agencies (Singapore) Pte Ltd - Rental of office at Far East shopping centre, Singapore	35,095	35,095
Manmohan's (Labuan) Sdn Bhd - Rental of office at Lot 20, Labuan	3,000	3,000
Syarikat Guan Teck Enterprise (Sarawak) Sdn Bhd - Lease of office at Lot 1035, Piasau	25,000	25,000
Syarikat Lambir Timber Sdn Bhd - Chartering of vessels	52,500	52,500
Rajah & Tann - Provision of legal services	81,110	81,110
Khoo & Co, Advocates and Solicitors - Provision of legal services	141,675	141,675
(ii) Transactions with Director :		
Yong Foh Choi - Rental of staff quarter at Lot 334, Jalan Lutong-Pujut	1,500	1,500
	<u>339,880</u>	<u>339,880</u>

In the opinion of the directors, the above transactions have been entered into in the ordinary course of business and have been established under terms no less favorable than those transacted with unrelated parties.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B1. Review of performance of the Company and its principal subsidiaries

Current quarter compared with corresponding quarter of the previous financial year (1Q 2014 Vs. 1Q 2013)

The Group's performance for the current quarter under review compared to 1Q 2013 is as follow:

	Shipbuilding RM'000	Ship charter RM'000	Consolidated Total RM'000
Revenue (1Q 2014)	3,232	32,960	36,192
Revenue (1Q 2013)	29,004	21,511	50,515
Variance	<u>(25,772)</u>	<u>11,449</u>	<u>(14,323)</u>
Variance (%)	>100%	53%	-28%

For the three months ended 31 March 2014, the Group recorded revenue of RM36.2million, 28% lower than corresponding quarter of the previous financial year.

Shipbuilding Division

Shipbuilding division booked in revenue of only RM3.2million for the quarter under review due to the yard has just delivered four vessels between the period October 2013 to February 2014. Except for one multipurpose vessel, the few vessels under construction were at early stage of completion as at March 2014.

Ship Charter Division

Revenue of the ship charter division increased 53% compared to 1Q 2013 attributed to charter earnings from the two hybrid vessels which the group took delivery at the end of 2Q 2013 and 3Q 2013.

	Shipbuilding RM'000	Ship charter RM'000	Others/ Elimination RM'000	Consolidated Total RM'000
(Loss)/profit before tax (1Q 2014)	(5,207)	8,330	2,622	5,745
Profit before tax (1Q 2013)	1,219	5,841	(1,365)	5,695
Variance (%)				-1%

Despite improved performance from the ship charter division, the Group recorded marginal increase in profit before tax of RM5.7million for current quarter due to losses from shipbuilding division.

SEALINK INTERNATIONAL BERHAD (800981-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014**(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS****B2. Material changes in the quarterly results compared to the results of the preceding quarter**

	Current Quarter ended 31 Mar 2014 RM'000	Preceding Quarter ended 31 Dec 2013 RM'000	Variance RM'000	%
Revenue	36,192	74,310	(38,118)	-51%
Profit before tax	<u>5,745</u>	<u>2,393</u>	3,352	140%

The Group recorded revenue of RM36.2million, 51% lower than preceding quarter mainly due to drop in revenue from shipbuilding division as four vessels were all completed in the previous quarter and delivered between the period October 2013 to February 2014.

Despite drop in revenue, current quarter profit before tax increased from RM2.4million in 4Q 2013 to RM5.7million in 1Q 2014 mainly due to impairment charged in 4Q 2013.

B3. Commentary on prospects

The oil and gas industry in Malaysia has been on the uptrend and robust for the last few years due to the support from PETRONAS. Numerous awards of new contracts for more offshore installations and maintenance have been announced recently with more contracts to be awarded at the end of 2014. In 2013, PETRONAS had announced approximately RM10 billion of hook-up construction and commissioning jobs and RM10 billion Pan Malaysia integrated offshore installation contracts in four packages (The edge Malaysia). In addition to these, five Risk Sharing Contracts for the development of the marginal oil fields have been awarded in March 2014. Besides the above, some of the enhanced oil recovery projects under consideration are expected to be finalised by the end of 2014. All of the above are part of PETRONAS' commitment to the local oil and gas industry based on the budgeted capital expenditure of RM300 billion announced in 2011.

The overall results of SIB Group have improved in 2013 as compared to 2012 and SIB Group expect this improvement to continue going forward as SIB Group expands its vessel fleet and increase productions from the shipbuilding division.

With the new hook-up construction and commissioning jobs, offshore installation and enhanced oil recovery projects expected to come on-stream, we believe that the demand and rates for the charter and sale of our marine offshore support vessels ("OSV") will improve from those obtained in 2013.

In 2013, the Group's chartering division have also been awarded extensions for several long-term charter contracts. The Group have also in 2013, taken delivery two hybrid multipurpose platform supply vessels cum anchor handling tugs, Sealink 178 and Sealink 179 which are currently operating in Asia. The contract extensions and revenue from the hybrid vessels will contribute positively to the SIB Group's overall results.

SIB Group is still undergoing a modernisation exercise by disposing the older and smaller vessels to improve the charter and utilisation rates. SIB Group have embarked on the building of more hybrid vessels or other vessels based on new shipbuilding requirements to meet the increased requirement from the oil and gas industry. Barring any unforeseen circumstances, the SIB Group is optimistic that the Group would perform reasonably well in the next 12 months. The oil and gas industry is getting more competitive and SIB Group is confident of maintaining its market share in the oil and gas industry through the additions of new and larger vessels for the deep water operations.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B4. Variance between actual profit from forecast profit

Not applicable as no profit forecast was published.

B5. Profit before tax

Included in the profit before tax are the following item:

	Year-to-date Ended	
	31 Mar 2014 RM'000	31 Mar 2013 RM'000
Other income	(974)	(716)
Interest income	(744)	(1,496)
Interest expense	3,951	3,153
Depreciation of property, plant and equipment	11,244	8,413
Amortisation of land use rights	145	154
Property, plant and equipment written off	36	-
Gain or loss on disposal of property, plant and equipment	(849)	-
Reversal of provision for maintenance warranties	-	(1,699)
(Gain)/loss on foreign exchange		
- Realised	2,594	(2,211)
- Unrealised	(2,177)	(849)

B6. Taxation

	Current Quarter 31 Mar 2014 RM'000	Current Year-to-date 31 Mar 2014 RM'000
Malaysian income tax	2,826	2,826
Deferred tax reversal	(1,728)	(1,728)
Total tax expenses	<u>1,098</u>	<u>1,098</u>

The effective tax rate for the current quarter is 19%, slightly lower than statutory tax rate of 25% mainly due to different tax rate applicable to subsidiaries in other jurisdiction.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B7. Profit from sale of unquoted investments and/or properties

There were no disposal of unquoted investment and properties for the current quarter and financial year to date.

B8. Quoted securities

There was no purchase or disposal of quoted securities for the current quarter and financial year to date.

B9. Status of corporate proposal

There is no corporate proposal announced but not completed as at end of the financial period under review.

B10. Group borrowings and debt securities

Total Group's borrowings as at 31 March 2014 were as follows:

1. <u>Total Borrowings</u>	Secured
	RM'000
Short-term borrowings	158,918
Long-term borrowings	241,585
	<u>400,503</u>
2. <u>Borrowings denominated in US Dollars</u>	Secured
	USD'000
Short-term borrowings	9,197
Long-term borrowings	36,898
	<u>46,095</u>

B11. Derivative Financial Instruments

There are no outstanding derivatives as at the reporting period.

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B12. Material litigation

On 7 December 2012, one of the subsidiaries of the Group has initiated arbitration before the Kuala Lumpur Centre for Arbitration (KLCA) against Boustead Penang Shipyard Sdn Bhd (BPS) under a shipbuilding contract dated 3 April 2008 to build two units of 7,000 DWT oil carriers/chemical carriers.

The subsidiary filed a claim against BPS on 8 May 2013 under the KLCA arbitration for interest, damages and expenses incurred by the company for breaches of the contract by BPS. BPS has filed a statement of defence and counterclaim on 7 June 2013.

The Directors are of the view that there are reasonably good prospects of recovering the disputed sums on the case and successfully resisting BPS's counterclaims.

The Group has made adequate provisions for potential impairment and allowance for doubtful debts pending the settlement of the disputes on both cases.

B13. Dividend payable

A final single tier tax exempt dividend in respect of the financial year ended 31 December 2013, of 2.0% on 500,000,000 ordinary shares of RM0.50 each, amounting to a dividend payable of RM5,000,000 (1.0 sen per ordinary share) is subject to the approval of Shareholders at the forthcoming Annual General Meeting.

B14. Earnings per Share

	3 months ended		12 months ended	
	31 Mar 2014 RM'000	31 Mar 2013 RM'000	31 Mar 2014 RM'000	31 Mar 2013 RM'000
Profit attributable to Owners of the Parent (RM'000)	4,647	4,312	4,647	4,312
Weighted average number of shares in issue ('000)	500,000	500,000	500,000	500,000
Basic earnings per share (sen)	0.93	0.86	0.93	0.86
Diluted earnings per share (sen)	0.93	0.86	0.93	0.86

Basic earnings per share of the Company is calculated by dividing net profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period.

The computation of diluted earnings per share is the same as basic earnings per share as there were no new shares issued during the reporting period.

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B15. Disclosure of Realised and Unrealised Profits

The retained profits as at 31 March 2014 and 31 December 2013 are analysed as follows:

	As at 31 Mar 2014 RM'000	As at 31 Dec 2013 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	301,783	386,761
- Unrealised	55,768	(41,568)
	<u>357,551</u>	<u>345,193</u>
Consolidation adjustments	(238,647)	(230,936)
Total Group retained profits as per consolidated accounts	<u>118,904</u>	<u>114,257</u>

B16. Authorisation For Issue

The interim report for the first quarter ended 31 March 2014 was authorised for issue by the Board resolution of the directors dated 21 May 2014.

By Order Of The Board

Yeo Puay Huang (f)
Company Secretary
21-May-2014